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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554



In the Matter of)	
)	
Calling Party Pays Service Option in the)	WT Docket No. 97-207
Commercial Mobile Radio Services)	

COMMENTS OF US WEST, INC.

U S WEST, Inc. ("U S WEST") hereby submits these comments on the <u>Notice</u> of <u>Inquiry</u> adopted by the Federal Communications Commission ("Commission"), seeking information regarding a Commercial Mobile Radio Service ("CMRS") billing option known as Calling Party Pays ("CPP").

I. <u>INTRODUCTION AND SUMMARY</u>

As described in the <u>NOI</u>, CPP is an option offered by CMRS providers "whereby the party placing the call or page pays the airtime charge, and any applicable charges for calls transported within the [local exchange carrier] LECs' Local Access and Transport Areas." Without CPP, the CMRS subscriber receiving the call, rather than the party originating the call (usually from a wireline phone) must pay all the CMRS charges associated with the incoming call.

CPP is a billing option -- nothing more. No aspect of the actual wireless service received by a CMRS subscriber changes when he or she decides to obtain

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^{&#}x27;In the Matter of Calling Party Pays Service Option in the Commercial Mobile Radio Services, WT Docket No. 97-207, Notice of Inquiry, FCC 97-341, rel. Oct. 23, 1997 ("NOI"); see also Order, DA 97-2476, rel. Nov. 26, 1997.

² NOI ¶ 3 (footnote omitted).

CPP; only the recipient of the bill for incoming CMRS calls is different.

U S WEST wants to continue offering this service, and plans to enhance its market value. U S WEST also recognizes the possibility that increased availability of a robust CPP billing option could help foster development of CMRS as a competitive alternative to landline local exchange services.

The experience of U S WEST's cellular affiliate, U S WEST NewVector Group ("NewVector"), with the CPP product, however, has not been completely positive. The difficulties with CPP arise primarily from the fact that it is not uniformly and ubiquitously available in all geographic areas and with the participation of all landline providers. This lack of availability causes a problem called "leakage" -- where the charges for an incoming call to a CMRS CPP subscriber cannot be billed to the originating caller, and must therefore either be absorbed by the CMRS provider or assigned to the CMRS subscriber. Obviously, the true worth and effect of CPP cannot be measured so long as leakage problems diminish the value of the product.

There are two potential ways to solve these problems: with regulatory intervention or without. As further discussed below, U S WEST strongly believes that a national CPP billing solution can best be achieved through industry efforts without federal regulatory intervention, and that this is the preferred choice.

II. HOW CPP WORKS

CPP encompasses both a wholesale billing product purchased by CMRS providers, and a retail billing option obtained from CMRS providers by CMRS subscribers. For the wholesale billing product, U S WEST's landline LEC,

U S WEST Communications ("USWC"), operates as a billing agent for any CMRS carrier that elects to offer the retail billing option to its end-user customer (the "CPP subscriber"). For any call originating from a wireline customer of USWC and terminating to the CPP subscriber, USWC records and rates the call, bills to and collects from the wireline customer the airtime charges for that call (at rates determined by the CMRS provider), and remits the amounts collected to the CMRS provider. The wholesale CPP product never involves the delivery of any billing information to the CMRS provider; only the amounts collected from the wireline customer go from USWC to the CMRS provider.

NewVector, U S WEST's cellular affiliate, provides the retail CPP option to its subscribers for a fixed monthly fee.³ For the past year, NewVector's CPP subscribers have also been billed for any airtime not recoverable from the calling party due to "leakage" and related problems discussed in Part III below. In addition to setting monthly rates for their own CPP subscribers, CMRS providers using USWC's wholesale CPP product also determine the amount of charges to be billed to the calling party.⁴

³ That fee is \$3.95 in all NewVector CPP markets except Arizona and New Mexico, where it is \$2.95.

⁴ For example, in various locations where NewVector offers retail CPP, the perminute rate for airtime billed to the call originator ranges from 45 cents at any time of day (e.g., parts of Washington and Utah), to 35 cents during peak hours and 24 cents at off-peak times (parts of Arizona and Nebraska). For a rate comparison between wireless local per-minute rates and wireline local measured offerings (see NOI ¶¶ 15-19), see Attachment A hereto.

III. U S WEST'S EXPERIENCE WITH CURRENT LIMITATIONS OF CPP

Currently, the CPP billing option is available to CMRS providers in 13 out of the 14 states in U S WEST's territory, and is actually being used by CMRS providers in seven of those states. In three of those states (Arizona, New Mexico and Utah), the terms and conditions of the CPP billing option are governed by tariff filings made by USWC with the appropriate state regulatory commission. While the potential theoretically exists for states to impose regulatory requirements so diverse as to thwart the economic provisioning of CPP, this has not occurred to date in U S WEST's service area. Other than the Minnesota call-blocking requirement cited above (see note 5, supra), no state regulation has impeded the offering of CPP in U S WEST's region. Among U S WEST states where CPP is currently in use,

⁵ CPP is not presently available in Minnesota. Minnesota state regulators do not permit CPP to be offered unless calling parties are given the option of blocking calls from their numbers to CPP prefixes, a feature to be made available in 1998 following deployment of Advanced Intelligent Network ("AIN") enhancements to CPP. These and other billing-systems enhancements will provide the necessary technical support for the following additional functionalities: providing tailored preambles (to the extent CMRS carriers agree to underwrite the additional costs); applying CPP call blocking to the lines of USWC call originators with a history of non-payment of CPP billings; billing the originators of calls relayed by interexchange carriers, competitive LECs and any other carriers which execute CPP contractual agreements with USWC; recovering CPP charges from callers using USWC-owned payphones; and recovering CPP charges from other payphone operators and PBX operators which choose to relay originating local calls to CPP subscribers. Scheduled enhancements will not address CPP leakage resulting from calls originating from hotel-motel system clients; today such leakage amounts to less than one-tenth of one-percent of USWC's CPP traffic.

⁶ Those seven states are Arizona, Colorado, Idaho, Nebraska, New Mexico, Utah, and Washington. In addition, calls originating from Iowa to a wireless CPP subscriber in the Omaha, Nebraska MSA are also billed through the CPP mechanism.

only Utah requires a verbal preamble. This requirement is satisfied through the CMRS carrier's switch; beginning in 1998, enhancements to USWC's CPP will make verbal preambles and call-blocking available in all 14 states.⁸

While disparate state regulatory requirements have not, in U S WEST's experience, worked to forestall the expansion of CPP, there have been other obstacles from a practical perspective. NewVector offers CMRS service in localities where: (a) USWC is not the landline local exchange provider; and/or (b) the CPP product is not available due to lack of participation of the LEC or state regulatory requirements. Incoming calls to a CPP subscriber located in one state may well originate from callers located in other states. In those instances where a NewVector CPP subscriber receives a call from a phone served by a non-participating LEC or in a non-participating state, the CPP option simply does not work. The wireless CPP subscriber experiences "leakage" -- where the originating

⁷ Copies of the CPP tariffs in Arizona, New Mexico and Utah are attached as Attachment B hereto.

These enhancements will make it technically possible for USWC to offer a CMRS carrier a unique preamble message -- describing, for example, the airtime rates it has chosen to bill the calling party. However, announcement cards needed to generate a carrier-specific message are both costly and would need to be installed in every tandem switch. Until a CMRS carrier is willing to defray the significant cost of installing such preamble message technology, USWC plans to offer CMRS carriers a generic CPP preamble message advising callers that: "You are calling a cellular customer, and will be charged for the call. Please hold while we connect you." (The use of 1-plus dialing to access a CMRS-assigned prefix is widely accepted today as a means of customer notification that the number dialed will result in a charge, and should be considered an acceptable alternative where cost constraints preclude the deployment of preamble technology.)

caller cannot be billed for the call. When there is leakage, either NewVector has to absorb the charges for the call, or, as NewVector has recently done, assign the charges to its CMRS subscriber. Either option, in NewVector's view, significantly reduces the value of CPP to its customers, and probably has a negative effect upon the market penetration of the billing option.

It is U S WEST's experience that the failure of CPP to work is chiefly caused by a dearth of agreements between wireline and wireless carriers rather than any regulatory or technical hurdles.¹⁰ Nonetheless, the attractiveness of the CPP concept to CMRS subscribers remains, and NewVector's overall level of CPP subscribership does continue to grow in spite of leakage difficulties.¹¹

IV. A NATIONWIDE CPP SOLUTION CAN AND SHOULD BE CREATED WITHOUT REGULATORY INTERVENTION

In its <u>NOI</u>, the Commission appears to recognize that full effectiveness of CPP may require some sort of a nationwide solution. U S WEST agrees that, without a nationwide approach, leakage problems and a general lack of uniformity of the product offering (caused primarily by variations in different LECs' level of commitment to the product) will prevent the CPP billing option from becoming wholly effective. The question becomes: what is the best mechanism for crafting

[°] Leakage can also occur in wireless-to-wireless calls, since USWC has no access to any call detail resulting from such calls, precluding any USWC billing functions with respect thereto.

¹⁰ Such failure could be rectified through industry efforts to obtain such inter-carrier agreements to implement CPP. See Part IV, infra.

¹¹ NewVector does believe that market penetration for CPP has fallen short of its potential since its decision, a year ago, that airtime charges not billable to the calling party for any reason will be passed on to the CPP subscriber.

that nationwide approach?

Currently, an industry coalition called the National Calling Party Pays Forum ("Forum") is actively engaged in bringing such a nationwide approach to fruition.¹² The Forum effort is focused upon establishing a national commercial clearinghouse to serve as a carrier agent through which all carriers offering CPP billing service in conjunction with CMRS carriers could identify calling parties in their respective customer bases and implement billing and collection measures. The availability of such a resource would be expected to reduce significantly the incidence of unbillable calls to CPP subscribers. The success of such a clearinghouse would, in turn, enhance the value of CPP to the CMRS subscriber. LECs selling billing services should also be motivated to participate, because, as CPP offerings become more widespread nationally, facilitated by a clearinghouse mechanism, these LECs will be able to offer a more robust and remunerative CPP billing product. A clearinghouse solution would also be the most cost-effective means for new competitive LECs and other call originators to participate in CPP arrangements, obviating the need to enter into separate agreements with individual industry participants. The greater the overall participation in such a clearinghouse, the greater the likelihood that the CPP product will be a success.

This National CPP Forum clearinghouse effort has been going on for about two years, and has made significant progress in achieving a viable national CPP solution. In October, the Forum reviewed presentations from various commercial

 $^{^{12}}$ A list of the membership of the National CPP Forum is attached hereto as Attachment C.

clearinghouses, and in December, it is scheduled to formulate criteria for clearinghouse selection. It is anticipated that the clearinghouse selection process will be completed, and initial clearinghouse operations will commence, during 1998.

At this point, this Commission would be ill-advised to hamstring this active, and potentially successful industry effort by overlaying it with any kind of federal regulatory mandate. For the Commission to intervene at this time, thorny questions as to the basis for its jurisdiction would have to be answered. CPP is, and has been recognized by this Commission to be, "a billing practice that may be regulated by a State as a term or condition under which service is provided" pursuant to Section 332(c)(3)(B) of the Communications Act.¹³ Moreover, any Commission regulation of CPP, to be truly effective, would have to address the participation of landline companies, not just the CMRS providers, in CPP. Whether Section 332(c)(3) provides the Commission with the necessary authority to extend its regulatory power to the practices of landline LECs under these circumstances is likely to be a highly-contentious issue.¹⁴

NOI ¶ 27, n.38, citing Petition of Arizona Corporation Commission To Extend State Authority Over Rate and Entry Regulation of All Commercial Mobile Radio Services and Implementation of Sections 3(n) and 332 of the Communications Act, PR Docket No. 94-104 and GN Docket No. 93-252, Report and Order and Order on Reconsideration, 10 FCC Rcd. 7824, 7837 (1996) ("Arizona Decision").

Hold makes reference to the decision of the Eighth Circuit in Iowa Utilities Board v. FCC, 120 F.3d 753, 800 (1997), amended on reh'g, 1997 U.S. App. Lexis 28652 (8th Cir. Oct. 14, 1997), petitions for cert. filed (Nov. 17, 1997) as a basis for the potential exercise of Commission jurisdiction to require LECs to interconnect with CMRS carriers. See NOI ¶ 28. Footnote 21 of that appellate decision let stand certain of the Commission's interconnection rules, otherwise vacated with respect to wireline to wireline interconnection, for interconnection agreements between CMRS providers and LECs. The Eighth Circuit based that ruling on the authority granted

The Commission need not, however, reach these difficult jurisdictional issues at this juncture. Indeed, while industry efforts are actively pursuing market-based solutions to the CPP dilemma, regulatory intervention would be premature.

U S WEST respectfully requests that the Commission allow these industry efforts to play out before imposing a needless layer of additional regulation upon the marketplace.

V. CONCLUSION

For the reasons stated herein, U S WEST urges the Commission to:

(a) encourage the continued development and broad availability of a robust CPP billing option; ¹⁵ and (b) allow industry efforts to formulate a nationwide CPP

by Section 332(c) of the Communications Act. Thus, whatever authority the Commission has to impose federal regulation upon CMRS emanates from Section 332(c) -- and nothing that the Eighth Circuit did has changed or enlarged the Commission's authority under Section 332(c) in any way. In any event, the Commission has correctly identified CPP as a "billing practice" (see Arizona Decision, supra) as opposed to a part of interconnection, and U S WEST believes that there is no basis in law or fact to change that characterization today.

The <u>NOI</u> also sought information as to the effect of CPP on the stimulation of demand for wireless service and on the traffic balance between wireless and wireline services. <u>NOI</u> ¶¶ 10, 18. Relative traffic flow between CMRS and USWC networks across 14 states continues to range between 70 and 80 percent. Neither USWC nor NewVector has conducted any studies addressing whether or not CPP has any effect on relative traffic flow, or documenting the effects of CPP availability on CMRS subscribership, traffic patterns, or minutes of use. U S WEST has no data to suggest that CPP availability has any effect on wireline peak usage periods so as to require network modifications.

The <u>NOI</u> also inquired as to the impact of the "first incoming minute free" feature. <u>NOI</u> ¶ 14. Although both NewVector and U S WEST's broadband PCS affiliate (U S WEST Wireless) offer this feature to subscribers, neither entity has done so for a sufficient time to support any conclusion as to the feature's possible effects on CMRS subscriptions, migration from analog to digital service, or customer willingness to disclose their mobile telephone numbers or to keep their handsets on standby mode.

solution to move forward without undue regulatory intervention.

Respectfully submitted,

U S WEST, INC.

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Laurie J. Bennett

Suite 700

1020 19th Street, N.W. Washington, DC 20036

(303) 672-2763

Its Attorney

Of Counsel, Dan L. Poole

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ATTACHMENT A

Airtime Rates for NewVector Group Calling Party Pays, Where Offered, and USWC Per-Minute Rates Featured in Local Measured Service or Message Service Offerings in Corresponding Locations

	 U S WEST NewVector		USWC Local Measured Service	
	Peak Rate	Off-Peak	First Min.	Add'l Min.
Seattle, Spokane MSAs	\$.45	.45	.040451	.01502
Salt Lake City MSA	\$.45	.45	.082	.08
Boise/Idaho RSAs	\$.45	.35	.02	.02
Omaha MSA	\$.35	.24	$.02^{3}$.02
Phoenix/Tucson MSAs	\$.35	.24	N/A	N/A
Albuquerque MSA	\$.40	.29	.03⁴	.03

Range reflects two mileage bands.

² Rates apply only to minutes exceeding initial 25-call monthly allowance. (Res. Only)

³ Rates apply only to minutes exceeding call-allowance packages of 1, 3 and 6 hours. (Res. Only)

⁴ Time of day discounts apply: 35% evenings and 50% nights and weekends.

ATTACHMENT B

EXCHANGE AND NETWORK SERVICES TARIFF

SECTION 10 Page 9 Release 4[1]

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Issued: 10-20-97

Effective: 10-20-97

10. MISCELLANEOUS SERVICE OFFERINGS

10.5 SUPPLEMENTAL BILLING (Cont'd)

10.5.6 COMMERCIAL MOBILE RADIO SERVICE INTERCONNECTION CHARGES

A. Definition

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Commercial Mobile Radio Service (CMRS) Interconnection Charge

A charge to the landline user for the use of the CMRS provider's facilities.

Landline User

A customer of the Company originating a direct dialed call that will terminate at a CMRS telephone number.

B. Terms and Conditions

- 1. Only direct dialed intraLATA calls to CMRS telephone numbers will be charged the CMRS Interconnection Charge. CMRS Interconnection Charge will not be billed to the landline users on calls originating from:
 - Coin sent paid calls
 - Operator handled calls
 - Calling card calls originating from pay telephones
 - Independent Companies
 - International Telephone Companies
 - Other Telephone Operating Companies
- 2. CMRS Interconnection Charge will be billed in addition to any other applicable charges, i.e., intraLATA MTS, local usage, etc.
- 3. CMRS Interconnection Charge will be rounded to the next whole minute.
- 4. The CMRS NXXs, by cellular company, are as follows:
 - AT&T Wireless Service
 - Area Code 520: 465
 - Area Code 602: 738, 758
 - AirTouch
 - Area Code 520: 200, 301, 308, 429, 503, 607, 609, 614, 709, 904, 970, 987 - Area Code 602: 309, 377, 501, 531, 540, 541, 639, 653, 680, 710, 714, 810,
 - 903, 910
 - Cellular One
 - Area Code 520: 307, 379, 449, 460, 488, 517, 518, 605, 707, 719, 963
 - Area Code 602: 341, 376, 397, 399, 489, 558, 702, 859, 918, 919
- [1] This page previously canceled the following: Pages 10 and 11, Release 1.

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Effective: 2-12-96

NEW MEXICO

Issued: 1-30-95

Docket No. 95-393-TC

8. BILLING AND COLLECTIONS SERVICES

8.4 MESSAGE BASED BILLING SERVICE

B. Definitions (Cont'd)

There are two pricing options available with Bill Processing. Option 1 is based on a two tier price concept. The rate each month for each tier is based on the average number of messages per end user bill. Bill Rendering charges apply in addition to the Option 1 charges. Option 2 is a per message option, with a minimum of two messages required per end user bill. Bill Rendering is included in Option 2 rates.

• Message Bill Processing

A billing service for an end user account where individual messages or groups of messages are posted to the account and listed on the bill rendered to the end user.

• Bulk Message Bill Processing

A billing service for an end user account having a WATS access line or WATS-type service access line where individual messages are not posted to the account and not listed on the bill rendered to the end user. A bulk-billed message is a customer message which is used to develop the customer bulk-billed charge.

Air Time Message Bill Processing

A billing service for an end user account where individual cellular messages or groups of cellular messages are posted to the account and listed on the bill rendered to the end user.

Message Based Inquiry

The handling of negotiations with the end user and application of credits and adjustments to end user accounts. It includes answering end user questions about charges billed for the customer's service(s). The Company will provide Inquiry for Message, Bulk or Air Time Message Billing on the condition that it purchase Bill Processing Service and the customer's accounts receivable.

Message Based Bill Rendering

The preparation of the bill, maintenance of the end user data base, standard accounting journalizing of the bill data, mailing of the bill to the end user, processing payments, and collection services.

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NEW MEXICO

Issued: 1-30-95

Docket No. 95-393-TC

Effective: 2-12-96

8. BILLING AND COLLECTIONS SERVICES

8.4 MESSAGE BASED BILLING SERVICE

B. Definitions (Cont'd)

Call Handler ID

The appearance of the name of the call handler on the clearing agent end user bill, with traffic separated per call handler by line number. Call handlers are clients of clearing agents who are under Billing and Collections agreements with the Company and who collectively bill for their clients under that agreement. Each clearing agent will assign an entity code (up to three digits) for each of their call handlers. The call detail will be printed on the end user bill page in entity code numerical sequence.

Non-Standard Data Entry

The transforming of a non-standard message into Exchange Message Interface (EMI) format (industry standard) in order to process. It includes editing and verification that required data is present.

C. Rate Application and Provisioning Parameters

Message Rating and Bill Processing charges apply on a per message basis.

Non-Standard Data Entry charges apply on an individual case basis. If the customer provides the Company messages in EMI format, this charge does not apply.

Message Based Bill Rendering may be provided if the customer purchases Bill Processing. The Message Based Bill Rendering charge is applied on a per bill basis.

When rated message detail is data-transmitted to or received from an exchange telephone company or a customer location, a charge for the transmission in addition to the charge for the record, may apply.

When rated message detail is entered on magnetic tape to be provided to a customer, the per tape charge applies for each tape and the per message charge applies for each message processed.

Inquiry charges apply per Bill Processing message. For 900 service, Inquiry charges apply on a per message or per occurrence basis. When the customer selects the per occurrence option, the charge applies each time a customer's end user contacts the Company to make an inquiry regardless of the number of 900 messages on an end user's bill.

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8. BILLING AND COLLECTIONS SERVICES

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NEW MEXICO

Issued: 1-30-95

Docket No. 95-393-TC

8.4 MESSAGE BASED BILLING SERVICE (Cont'd)

D. Rates

	ORDERING CODE	RATE	
 Message Rating/with provision of Message Detail, per message 	RATE1	\$0.0055	
 Message Rating/without provision of Message Detail, per message 	RATE3	0.0045	
Bill Processing			
 Message Bill Processing Option 1, per message (1-14 messages) Option 1, per message 	MTSP1	0.0250 0.0175	(T) (N)
(15+ messages) - Option 2, per message[1]	N/A	0.1500	(N)
 Bulk Message Bill Processing Per message 	BLKP1	0.0150	
 Air Time Message Bill Processing Per message 	N/A	0.0860	

Exchange and Network Services Tariff Page 10 Release 1

NEW MEXICO

Issued: 8-28-95 (TMS)

Docket No. 95-515-TC

Effective: 10-23-95

10. MISCELLANEOUS SERVICE OFFERINGS

10.5 SUPPLEMENTAL BILLING

10.5.6 CELLULAR INTERCONNECTION CHARGES

A. Definitions

1

End User

A customer of the Company originating a direct dialed call that will terminate at a mobile telephone number. An end user is also referred to as landline calling party.

Cellular Interconnection Charge

A charge to the end user for the use of the Cellular Radio Common Carriers' facilities.

B. Terms and Conditions

- 1. Billing of the Cellular Interconnection Charge is subject to the New Mexico State Corporation Commission's approval of Cellular Company's Tariff. These Tariffs provide for the Company to pass the Cellular Interconnection Charge to its intraLATA end users.
- 2. Only direct dialed intraLATA calls to cellular telephone numbers will be charged the Cellular Interconnection Charge by using the 1 + NXX-XXXX dialing pattern. Cellular Interconnection Charges will not be billed to the end users on calls originating from:
 - Coin sent paid calls
 - WATS calls
 - Operator handled calls
 - Calling card calls
 - Independent Companies
 - Interexchange Carriers
 - International Telephone Companies
 - Other Telephone Operating Companies
- 3. Cellular Interconnection Charges will be billed in addition to any other applicable charges, i.e., intraLATA MTS, local usage, etc.
- 4. A specific contract between the Cellular Carrier and the Company shall be required that will include the details for settlement of the Cellular Interconnection Charge.
- 5. Cellular Interconnection Charges are cellular usage charges to the landline calling party.

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Issued: 4-4-96

(A.L. 96-12)

Effective: 5-6-96

8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE

Message Based Billing Service will be provided on the condition that the Company purchase the accounts receivable or agrees to act as a billing agent for the customer.

Customized billing charges will be determined on an individual case basis.

Message Based Billing Service consists of Message Rating, Bill Processing, Bill Rendering and Inquiry. A customer may order Message Rating, Bill Processing, Bill Rendering and/or Inquiry.

A. General Description

1. Message Rating Service

Message Rating with Provision of message detail is the transforming of recorded call details and the computing of applicable charges for each message based on customer provided schedule of rates into rated messages and the provision of these rated messages either to the customer or other entities. Rating is always performed and editing may be performed coincident with the implementation of a change in the customer's schedule of rates. Charges apply on a per message basis.

Message Rating without Provision of message detail is the transforming of recorded call details and the computing of applicable charges for each message based on the customer provided schedule of rates into rated messages. Rating also includes the preparation of message detail for input to Bill Processing. Rating is always performed and editing may be performed coincident with the implementation of a change in the customer's schedule of rates. Charges apply on a per message basis.

Where the Company has rated customer messages which are to be billed to an end user by another Exchange Company, messages may be data transmitted, entered on magnetic tape or provided via cartridge. These messages will be delivered to a customer or to an Exchange Company with whom the customer has billing arrangements. Charges as set forth in Media Provisioning apply.

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE

A. General Description (Cont'd)

2. Bill Processing Service

Bill Processing is the preparation of the billing data for Message Bill Processing or Air Time Message Bill Processing. Bill Processing includes toll master file processing, posting of rated messages and rate elements, maintenance of accounts, and pre-billing unidentified message investigation. Bill Processing charges apply on a per message basis.

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There are two pricing options available with Bill Processing. Option 1 is based on a two tier price concept. The rate each month for each tier is based on the average number of messages per end user bill. Bill Rendering charges apply in addition to the Option 1 charges. Option 2 is a per message option, with a minimum of two messages required per end user bill. Bill Rendering is included in the Option 2 rates.

Message Bill Processing is a billing service for an end user account where individual messages or groups of messages are posted to the account and listed on the bill rendered to the end user.

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Air Time Message Bill Processing is a billing service for an end user account where individual cellular messages or groups of cellular messages are posted to the account and listed on the bill rendered to the end user. These charges will appear on a separate page of the bill.

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(A.L. 96-12)

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE

A.2. (Cont'd)

Message Based Inquiry is handling negotiations with the end user and application of credits and adjustments to end user accounts. It includes answering end user questions about charges billed for the customer service. The Company will provide Inquiry for 900, Message or Air Time Message billing on the condition that it purchase Bill Processing Service and the customers accounts receivable. Charges apply per Bill Processed message. For 900 service, Inquiry charges apply on a per message or per occurrence basis. When the customer selects the per occurrence option, the charge applies each time a customer's end user contacts the Company to make an inquiry regardless of the number of 900 messages on an end user's bill.

Message Based Bill Rendering is the preparation of the bill, maintenance of the end user data base, standard accounting journaling of the bill data, mailing of the bill to the end user, processing payments, and collection of past due accounts. The charge for bill rendering is applied on a per bill basis.

Call Handler ID is the appearance of the name of the call handler on the clearing agent end user bill, with traffic separated per call handler by line number. Call handlers are clients of clearing agents who are under Billing and Collection agreements with USWC and who collectively bill for their clients under that agreement. Each clearing agent will assign an entity code for each of their call handlers. The call detail will be printed on the end user bill page in entity code numerical sequence.

Non-Standard Data Entry is the transforming of a non-standard message into Exchange Message Interface (EMI) format (industry standard) in order to process. It includes editing and verification that required data is present.

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE (Cont'd)

(D)

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE (Cont'd)

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Issued: 4-4-96

(A.L. 96-12)

Effective: 5-6-96

8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE (Cont'd)

B. Terms And Conditions

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1. Message Rating Service

The interval required to establish Message Rating Service will be determined on an individual case basis with the customer.

Program development charges apply for the hours required to define, design, develop, test, and maintain necessary programs. Program development charges apply in the implementation of customer rating schedules, and customer rate levels and rate structure changes and conversion of customer provided message detail to standard Company format. Program development will be contracted for on an individual case basis; total charges for program development to be estimated in advance and agreed upon by both parties.

If the customer makes a request to resupply the data within 30 days of the date the customer details were initially made available to the customer, the Company will make every reasonable effort to recover the customer detail and make it available again to the customer. ICB rates and charges will apply for such customer detail provided.

Where the rates for customer services have been implemented under an accounting order pending final approval from a regulatory agency, the Company will, upon written request from the customer, keep such records as may be required to make any adjustments to the end users as may be ordered by the regulatory agency. The charges for such a service will be determined on an individual case basis.

Other specific terms and conditions will be determined by the Company on an individual case basis with the customer.

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE (Cont'd)

B. Terms And Conditions (Cont'd)

(T)

2. Bill Processing Service

The customer shall order Bill Processing Service and Bill Processing Service with Inquiry for Message Bill Processing or Air Time Message Bill Processing under a service request. The Company will determine the conditions and period of time to implement such service on an individual case basis.

(C)

The average number of messages per end user bill will be used to determine that customer's Bill Processing charge.

Program development charges apply for the hours required to define, design, develop, test, and maintain necessary programs. Program development will be contracted for on an individual case basis; total charges for program development to be estimated in advance and agreed upon by both parties.

Other specific terms and conditions will be determined by the Company on an individual case basis with the customer.

When the Company completes a project requested by the customer on an individual case basis, and the customer requests that implementation be delayed and/or cancelled, the customer will be charged for the expense incurred by the Company due to the postponement and/or cancellation of the project.

When the customer sends the Company a magnetic tape containing messages to be billed and messages have been determined to be unbillable, the messages will be returned to the customer on magnetic tape. Charges for magnetic tape as set forth in 8.8, B. following, apply.

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8. INFORMATION AND BILLING SERVICES

8.3 MESSAGE BASED BILLING SERVICE (Cont'd)

C. Liability Of The Company

The Company's liability for Message Based Billing Service is as follows:

1. If Message Based Billing Service detail is not available because the Company lost or damaged records or incurred processing system outages, the Company will attempt to recover the lost customer detail. If the lost customer detail cannot be recovered and the Company recorded the details, the customer detail and the extent of the Company's liability for damages will be provided as set forth in 8.2, D. preceding. If the lost customer detail cannot be recovered and the customer provided the detail, the customer will be requested to resupply the detail. If the customer cannot resupply the detail, the detail and the extent of the Company's liability for damages will be estimated as set forth in 8.2, D. preceding. Appropriate credit adjustments will be made to customer amounts due to account for the unbillable revenue. Recovered detail will be included in message detail provided to the customer when the customer orders such service and any recovered customer messages will be billed.

D. Changes To Custom Request

When a customer request changes to a pending custom request for Message Billing Service, such changes will be undertaken if they can be accommodated by the Company. A charge equal to any costs incurred by the Company because of the change will apply.

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